

# ***Becoming a Parent is No Reason to Lose Your Paycheck***

## **The Federal Employees Paid Parental Leave Act: The Facts About H.R. 626**

### **Why FEPPLA is Necessary**

- Current policies are not meeting the needs of a changing U.S. workforce. In 1975, just two out of five women with children under the age of six were in the paid workforce, and there was no right to paid parental leave to care for newborns. Today, over 60% of women with young children are in the paid workforce, yet America *still* does not have federal laws regarding paid parental leave.
- The typical family has changed significantly since 1950, when the average household included a stay-at-home mother, a breadwinning father, and 2.2 children. Family structures today are diverse, with dual-earner households, female-headed households, and stay-at-home fathers all far more common today than in the past.
- Today's economic maelstrom is the absolute worst climate for leaving a job, because finding new work is excruciatingly difficult. The economy has lost 4.4 million jobs since the recession began in 2007, and experts predict that the unemployment rate will continue to rise in the coming months. 11.6 million Americans are jobless today, and 4 unemployed workers are competing for every 1 job opening. This means that employees who leave work to care for a new child are unlikely to find new jobs once their infants are old enough for day care, as employers downsize and workers are less likely to leave the jobs that remain.
- During difficult economic times, it is more important than ever that the federal government support its hardworking employees. Stagnant middle-class wages and rising costs have been squeezing working families for the last eight years. The collapse of the housing market and the financial crisis has wiped out the nest egg that many families worked hard to accumulate. Rising unemployment means that families who once made ends meet with two incomes are scrambling to pay the bills with just one paycheck. New parents are especially hard pressed to make ends meet. The average family spends an additional \$11,000 in the first year of having a new child.

### **How the Federal Government is Falling Behind**

- Currently, the federal government does not provide paid parental leave for the birth or adoption of a child.
- In contrast, 93% of *Working Mother* magazine's "100 Best Companies for Working Mothers" offer at least some paid leave. 75% of Fortune 100 companies offer paid leave.

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- Inflexible leave policies hurt the federal government's ability to recruit and retain qualified workers. The federal workforce is significantly older than that of the private sector, suggesting that the government needs to update its benefit policies in order to continue to employ the best possible workforce.
- The U.S. lags behind the rest of the world in providing paid leave. America is one of only five countries that does not guarantee paid maternity leave, according to a global survey conducted by Harvard and McGill University researchers. The other countries that do not offer paid leave: Lesotho, Liberia, Swaziland, and Papua New Guinea. Labor force participation amongst American women between the ages of 25-54 is in the bottom fifth of high-income, post-industrial nations, according to the OECD. The U.S. ranks 20<sup>th</sup> out of 20 for labor force participation amongst women with a college degree. Our inadequate family leave policies are part of the explanation for these cross-national differences.

### **The Benefits of FEPPLA**

- Paid parental leave is a critical source of economic security for strapped working families. At a time when many parents are relying on one income due to the miserable job market, paid leave is a lifeline that can prevent hardship.
- When parents are forced to return to work early out of economic necessity, newborns' health suffers, according to multiple economic studies. Compared to other infants, children of working parents unable to take leave have lower rates of immunization and well-visits, and are breast-fed for 4.5 fewer weeks. Preventative medicine and breastfeeding have well-documented positive impacts on children's physical, cognitive, and behavioral health, suggesting that paid leave is beneficial for child development.
- Paid parental leave provides vital parent/child bonding time, which has measurable impacts on both parental and child health outcomes. Infants who enjoy high-quality parental bonding are less likely to develop depression and behavioral disorders as young adults, for instance. Parents who have quality bonding time with their children are less subject to depression and stress-related disorders.
- FEPPLA is pay-go neutral. In addition, FEPPLA could actually save money for the federal government, thereby saving money for the American taxpayer. The Joint Economic Committee estimates that replacing an employee costs nearly three times as much as providing that employee with four weeks of paid parental leave. Paid parental leave can increase productivity by reducing turnover and absenteeism, and improving worker morale.